

Message Text

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51

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 FSE-00 ABF-01

INT-08 AGR-20 DRC-01 /198 W
----- 011153

R 031728Z JAN 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 5814

UNCLAS PARIS 0191

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJECT: U.S. DOLLAR MOVES ABOVE FEBRUARY 1973 RATES

1. THE FIRST TWO DAYS OF 1974 HAVE SEEN THE U.S. DOLLAR RISE IN VALUE, OUTSIDE THE UPPER LIMITS OF THE PARITIES ESTABLISHED ON FEB 12, 1973. AT CLOSE OF BUSINESS ON JAN 3, THE OFFICIAL (COMMERCIAL) RATE FOR THE DOLLAR WAS FRF. 4.83-4.84, WELL ABOVE THE UPPER LIMIT OF FRF. 4.70. AGAINST THE FINANCIAL FRANC. THE DOLLAR WENT AS HIGH AS 5.0025, BEFORE DECLINING AGAIN TO 4.97.

2. IN HIS JAN 3 REMARKS TO JOURNALISTS PARTICIPATING IN TRADITIONAL PRESENTATION OF NEW YEARS WISHES, PRESIDENT POMPIDOU EXPRESSED HIS BELIEF THAT THESE NEW DEVELOPMENTS WERE DISQUIETING TO UNITED STATES, SINCE AN EXPENSIVE DOLLAR WOULD HURT U.S. EXPORTS. HE SAID THAT WHILE THE FRANC WAS "NOT WEAK," THIS STRENGTH DEPENDED ON FOREIGN TRADE, NOW MENACED BY HIGHER PETROLEUM PRICES, AND THAT "OUR RESERVES ARE NOT EXTREMELY STRONG." HE WENT ON TO SAY THAT "GERMANY IS NOW PROBABLY THE ONLY

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COUNTRY WITH RESERVES SUFFICIENTLY LARGE TO ENABLE IT TO CONFRONT

ALL POSSIBLE DIFFICULTIES."STONE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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